

MEMORANDUM

TO: MAYOR AND CITY COMMISSION
FROM: CITY ATTORNEY'S OFFICE
DATE: April 6, 2020
RE: **Water Utilities Cost of Services Study**

For your consideration is a Contract and Agreement with Raftelis Financial Consultants, Inc. of Maitland Florida to provide services as identified in the Contract and Agreement and Attached Exhibits, including an annual Revenue Sufficiency Analysis and an updated Impact Fee Study.

The costs of the Contract and Agreement are as follows:

- Annual Revenue Sufficiency Analysis for \$32,000,
- Impact Fee Study for \$21,000,
- Rate Development for PRWC Alternative Water Cost for \$10,000,
- Performance of a Rate Affordability Review for \$12,000.

As enterprise funds, Public Utilities must operate as businesses with no support from other funds. Prudent utilities engage consultants to perform rate studies to determine what utility rates are needed to ensure sufficient revenue to support current and future operating and maintenance expenses and to support the capital improvement program. Rates and fees are customarily arrived at by evaluating operations and maintenance costs, debt service costs, reserve replacement funds, and mandatory debt service reserve funds.

The Water Utilities Department has performed a comprehensive rate and impact fee study in the past with annual updates every year thereafter. This has been a tremendous budgeting tool, and it has helped the Department consistently achieve its financial goals. The challenges of the cost for alternative water is a new item added to the program.

The Consultant chosen by the selection committee is Raftelis Financial Consultants, Inc. The selection committee was made up of three (3) City employees representing two City departments. Raftelis Financial Consultants, Inc. was selected from a submittal of two (2) consultant qualifications. No Lakeland firms submitted a qualifications package for this solicitation.

It is recommended that the City Commission approve the Contract and Agreement with Raftelis Financial Consultants, Inc., and authorize the appropriate City officials to execute the necessary documents to proceed with this award.

Attachment

CONTRACT AND AGREEMENT FOR
COMPREHENSIVE UTILITY RATE AND FINANCIAL PLANNING SERVICES

THIS AGREEMENT is entered into as of this _____ day of _____, 2020 by and between the **CITY OF LAKELAND, FLORIDA**, a municipal corporation under the laws of the State of Florida whose address is 228 South Massachusetts Avenue, Lakeland, Florida 33801. Hereinafter referred to "City", **AND RAFTELIS FINANCIAL CONSULTANTS, INC.** whose address is: 341 North Maitland Avenue, Suite 300, Maitland, Florida 32751, Hereinafter referred to as "Consultant."

W I T N E S S E T H:

THAT WHEREAS, City has requested competitive proposals under guidelines established by the State of Florida in the Consultants Competitive Negotiation Act (§ 287.055, Fla. Stat.) for professional services associated with the Comprehensive Rate, Impact Fee, and Cost of Services Study and the requisite deliverables; and

WHEREAS, Consultant has submitted to the City a proposal in accordance with the terms of said request for competitive proposals;

WHEREAS, The City, in the manner prescribed by law, has determined and declared the aforesaid Consultant to be the best evaluated Proposer for the said work and hereby duly awards to the Consultant a contract therefore, for the sum or sums named herein; and

WHEREAS, Consultant is willing to provide such professional services.

NOW, THEREFORE, in consideration of the compensation to be paid to the Consultant, and of the mutual agreements herein contained, the parties hereto have agreed, and hereby agree, as follows:

1.0 INCORPORATION OF RECITALS

The foregoing recitals are true and correct and are incorporated herein by reference.

2.0 TERM

This Agreement is to become effective upon execution by both parties, and shall remain in effect until December 30, 2024, unless terminated as provided for herein.

3.0 DESCRIPTION OF SERVICES

3.1 The Scope of Services generally to be provided by the Consultant may include any or all phases of professional services associated with providing of utility rate, impact fee, cost of service, and financial planning services. The scope, schedule, and fees associated with the initial work to be carried out through this Agreement are more clearly defined in the attached **Exhibits A, B, C and D**.

4.0 CHANGES IN THE SCOPE OF WORK

4.1 City may make changes in the services at any time by giving written notice to Consultant. If such changes increase (additional services) or decrease or eliminate any amount of work, City and Consultant will negotiate any change in total cost or schedule modifications. If the Parties approve any change, a Contract Agreement Change Order will be issued to reflect the changes, and Consultant shall be compensated for said services in accordance with the terms of **Section 6.0** herein. All change orders must be authorized in writing

by City's and Consultant's designated representatives.

4.2 All of City's said Contract Agreement Change Orders and amendments thereto shall be performed in strict accordance with the terms of this Agreement insofar as they are applicable.

5.0 COST AND SCHEDULE

5.1 Consultant shall perform services in conformance with the mutually agreed upon cost and schedule set forth in "**Exhibit A – Scope of Services**" for the annual revenue sufficiency analysis and "**Exhibit B – Scope of Services**" for the capacity charge analysis. "**Exhibit C – Schedule of Direct Labor Hourly Rates and Standard Cost Rates**" shall provide the standard hourly billing rates for services provided to the City. Consultant shall complete all of said services in a timely manner and will keep City apprised of the status of work on at least a monthly basis.

Should Consultant fall behind the agreed upon schedule, it shall employ such resources so as to comply with the agreed upon schedule at no additional cost to the City except as provided in **Section 21.0 Force Majeure**, herein.

5.2 No extension for completion of services shall be granted to Consultant without City's prior written consent, except as provided in Sections 4.1 and 21.1 herein.

6.0 METHOD OF PAYMENT FOR SERVICES AND EXPENSES

6.1 Payment/Compensation: City agrees to pay or compensate the Consultant for the Professional Services on a lump sum basis for each major phase of the work as set forth in "**Exhibit A – Scope of Services**".

6.2 Times of Payments: At monthly intervals, Consultant shall submit statements for work completed. The statements shall be based on the percentage of the work completed within the billing period.

6.2.1 At the end of each billing period, the Consultant shall provide to the City a report showing the actual progress of the work completed compared to the Project schedule for completion of the work to the end of such period. The report shall include a narrative of the project status.

6.3 Payment shall be due and payable within 45 days after receipt by City. In the event City disputes any invoice item, City shall give Consultant written notice of such disputed item within ten (10) days after receipt of such invoice and shall pay to Consultant the undisputed portion of the invoice according to the provisions hereof. Interest shall not be charged on any disputed invoice item which is finally resolved in City's favor. Payment of interest shall not excuse or cure any default or delay in payment of amounts due.

6.4 Other Provisions Concerning Payments: In the event of termination by City under Section 20.0 during the performance of the Services, payments due Consultant up to the point of termination, including payments for services rendered, and all costs incurred shall constitute total payment for such services.

7.0 RIGHT TO INSPECTION

7.1 City or its agents shall at all times have the right to review or observe the services performed by Consultant.

7.2 No inspection, review, or observation shall relieve Consultant of its responsibility under this Agreement.

8.0 PROGRESS MEETING

8.1 The Consultant shall schedule and call progress meetings as necessary on at least a monthly basis as set forth in the scope of services. Consultant's Project Manager and all other appropriate personnel shall attend such meetings as designated by City's Project Manager. Provided that the Consultant's and City's Project Managers both agree, progress meetings may be held less frequent than stipulated above. The Consultant shall be responsible for compiling and distributing the minutes of each meeting.

9.0 INSURANCE AND HOLD HARMLESS/INDEMNIFICATION

Consultant shall maintain in force during the term of this Agreement, at its own expense, insurance as set forth in "**Exhibit F**" Insurance Specifications and "**Exhibit G** Hold Harmless Agreement, which are hereby made a part of this Agreement and shall be bound by the terms of the Hold Harmless/Indemnification provisions expressed therein.

10.0 SAFETY

10.1 Consultant agrees to comply with City's published safety standards while on the property of City. A copy of these standards is provided in "**Exhibit H**".

10.2 Consultant shall have full responsibility and assume all liability for the safety and supervision of its employees while performing services provided hereunder.

11.0 REASONABLE ACCESS

During the term of this Agreement, City shall grant Consultant reasonable access to the City's premises for purposes of fulfilling its obligations under this Agreement. In addition, the City shall have reasonable access to the Consultant's facilities for the purposes of assuring the work is proceeding as scheduled and performed by competent individuals under the Consultant's employ.

12.0 COMPLIANCE WITH LAWS AND REGULATIONS

12.1 Consultant shall comply with all requirements of federal, state, and local laws, rules, regulations, standards, and/or ordinances applicable to the performance of this Agreement.

12.2 PURSUANT TO CHAPTER 558.0035 FLORIDA STATUTES, AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE PROVIDED THAT THE PROVISIONS OF CHAPTER 558.0035 FLORIDA STATUTES ARE SATISFIED.

13.0 REPRESENTATIONS

13.1 Consultant represents that the services provided hereunder shall conform to all requirements of this Agreement and the Contract Documents incorporated by reference herein and shall be consistent with recognized and sound practices and procedures, and shall conform to the customary standards of care, skill, and diligence appropriate to the nature of the services rendered.

13.2 Consultant represents that the personnel furnishing such services shall be qualified and competent to

perform the services assigned to them and that such guidance given by and the recommendations and performance of such personnel shall reflect their best professional knowledge and judgment.

13.3 Consultant represents that Consultant will cooperate to the fullest extent with the City's and all other consultants and contractors that may be working on site.

13.4 Subject to the provisions of this Section, should Consultant breach the warranties set forth herein, City shall have such remedies as may be provided at law or equity.

13.5 Without limiting the generality of the foregoing, if the Consultant completes its services under this Contract Agreement, and it is shown that the Consultant's services are noncomplying, defective, or otherwise improperly performed and City notifies Consultant in writing that a defect, error, omission or noncompliance has been discovered in Consultant's services, Consultant shall, at the option of City: (a) correctly re-perform such noncomplying, defective, or otherwise improperly performed services at no additional cost to City; (b) refund the amount paid by City attributable to such noncomplying, defective, or otherwise improperly performed services; or (c) if Consultant fails to take action under (a) above, at Consultant's sole expense, otherwise cure or have cured any such noncomplying, defective, or otherwise improperly performed services.

The only representations made by Consultant are those expressly enumerated in this provision. Any other statements of fact or descriptions expressed in the contract or any attachments thereto, shall not be deemed to constitute a warranty of the work or any part thereof. THE REPRESENTATIONS SET FORTH IN THIS PROVISION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING ALL REPRESENTATIONS OF MERCHANTABILITY AND FITNESS FOR DEALING AND USAGE OF TRADE).

14.0 GUARANTEE AGAINST INFRINGEMENT

Consultant guarantees that all services provided under this Agreement shall be free from claims of patent, copyright, and trademark infringement. Notwithstanding any other provision of this Agreement, Consultant shall indemnify, hold harmless, and defend City, its officers, directors, employees, agents, assigns, and servants from and against any and all liability, including expenses, legal or otherwise, for actual or alleged infringement of any patent, copyright, or trademark resulting from the use of any goods, services, or other items provided under this Agreement.

15.0 LIMIT OF LIABILITY

Consultant's total liability to City for all claims, losses, damages, and expenses resulting in any way from the performance or nonperformance of this Agreement by the Consultant, shall be limited to, (i) for General Liability claims, the minimum limit of General Liability insurance; (ii) for Professional Liability claims, the minimum limit of Professional Liability insurance.

16.0 DOCUMENTS

16.1 Upon City's or its designated Project Manager's request, at any time during the term of this Agreement or upon completion or termination of this Agreement, Consultant shall provide City or its designated Project Manager with a copy of all documents prepared by Consultant under this Agreement. City understands that re-use of any documents for any other purpose, shall be at the City's own risk. Consultant shall retain its rights in its standard drawing details, designs, specifications, databases, computer software, and any other proprietary property so labeled.

16.2 The parties acknowledge that the City is a Florida municipal corporation and subject to the Florida Public Records Law.

IF THE CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE ENGINEER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS: KEVIN COOK - DIRECTOR OF COMMUNICATIONS AT: PHONE: 863-834-6264, E-MAIL:KEVIN.COOK@LAKELANDGOV.NET, ADDRESS: ATTN: COMMUNICATIONS DEPARTMENT, 228 S. MASSACHUSETTS AVE., LAKELAND, FLORIDA 33801.

In accordance with Florida Statute §119.0701, the Consultant shall keep and maintain public records required by the City in performance of services pursuant to the contract. Upon request from the City's custodian of public records, Consultant shall provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided pursuant to Florida Statute Chapter 119 or as otherwise provided by law. Consultant shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the Consultant does not transfer the records to the City. Consultant shall, upon completion of the contract, transfer, at no cost, to the City all public records in possession of the Consultant or keep and maintain public records required by the City to perform services pursuant to the contract. If the Consultant transfers all public records to the City upon completion of the contract, the Consultant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Consultant keeps and maintains public records upon completion of the contract, the Consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

16.3 Any work performed under this Agreement by Consultant shall not be copyrighted by Consultant.

17.0 ASSIGNMENT

17.1 Consultant shall not assign or subcontract this Agreement, or any rights or any monies due or to become due hereunder without the prior, written consent of City except that it may be assigned without such consent to a wholly owned subsidiary of either party.

17.2 If upon receiving written approval from City, any part of this Agreement is subcontracted by Consultant, Consultant shall be fully responsible to City for all acts and/or omissions performed by the subcontractor as if no subcontract had been made.

17.3 If City determines that any subcontractor is not performing in accordance with this Agreement, City shall so notify Consultant who shall take immediate steps to remedy the situation.

17.4 If any part of this Agreement is subcontracted by Consultant, prior to commencement of any work by the subcontractor, Consultant shall require the subcontractor to provide City and its affiliates with insurance coverage as set forth by the City Director of Risk Management.

18.0 INDEPENDENT CONTRACTOR

Consultant shall be considered an independent contractor during the term of this Agreement.

19.0 DEFAULT

If, during the term of this Agreement, Consultant shall be in default of any of the material provisions of this Agreement, City may suspend its performance hereunder until such delinquency or default has been corrected provided, however that no suspension shall be effective unless and until City gives written notice of the default to Consultant with at least (10) days to cure such default. If Consultant fails to correct such delinquency or default within thirty (30) days of suspension by City, City may terminate this Agreement.

20.0 TERMINATION

Notwithstanding any other provision of this Agreement, City may, upon writing notice to Consultant terminate this Agreement if: (a) Consultant is adjudged to be bankrupt; (b) Consultant makes a general assignment for the benefit of its creditors; (c) Consultant fails to comply with any of the conditions or provisions of this Agreement; or (d) Consultant's experiencing a labor dispute which threatens to have a substantial, adverse impact upon performance of this Agreement, without prejudice to any other right or remedy City may have under this Agreement. In the event of such termination, City shall be liable only for the payment of all unpaid charges, determined in accordance with the provisions of this Agreement, for work, properly performed prior to the effective date of termination.

21.0 FORCE MAJEURE

Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by acts of God, Fire, Flood, windstorm, explosion, riot, war, sabotage, strikes, court injunction or order, federal and/or state law or regulation, order by any regulatory agency, or cause or causes beyond the reasonable control of the party affected. provided that prompt written notice of such delay is given by such party to the other and each of The parties hereunto shall be diligent in attempting to remove such cause or causes, and should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Consultant shall be entitled to an equitable adjustment in schedule and may be entitled an adjustment compensation in the event such circumstances occur. If any circumstance of Force Majeure remains in effect for one hundred and twenty (120) days, either party may terminate this Agreement.

22.0 GOVERNING LAW & VENUE

This Agreement is made and shall be interpreted, construed, governed, and enforced in accordance with the laws of the State of Florida. Venue shall be the Circuit Court of the Tenth Judicial Circuit Polk County, Florida, or the United States District Court in and for the Middle District of Florida, Tampa, Division.

23.0 HEADINGS

Paragraph headings are for the convenience of the parties only and are not to be construed as part of this Agreement.

24.0 SEVERABILITY

In the event any portion or part of this Agreement is deemed invalid, against public policy, void, or otherwise unenforceable by a court of law, the parties shall negotiate an equitable adjustment in the affected provision of this Agreement. The validity and enforceability of the remaining parts thereof shall otherwise be fully enforceable.

25.0 WAIVER AND ELECTION OF REMEDIES

25.1 Waiver by either party of any terms, condition, or provision of this Agreement shall not be considered a waiver of that term, condition, or provision in the future.

25.2 No waiver, consent, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of each party hereto.

26.0 THIRD PARTY RIGHTS

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than City and Consultant.

27.0 PROHIBITION AGAINST CONTINGENT FEES

Consultant warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Consultant, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement.

28.0 ENTIRE AGREEMENT

This Agreement, including compliance with Public Entity Crimes in accordance Chapter 287.133(2)(a) Florida Statutes, and Discriminatory Vendors in accordance with Chapter 287.134(2)(a) Florida Statutes with agreement that Chapter 112.061 Florida Statutes be controlling in the event of a conflict with this Agreement; Schedules; Attachments; Appendices and Exhibits attached hereto, constitutes the entire agreement between Cooperative and Engineer with respect to the services specified and all previous representations relative thereto, either written or oral, are hereby annulled and superseded.

29.0 CONSEQUENTIAL DAMAGES

Notwithstanding any provision in this Agreement to the contrary, and to the fullest extent permitted by law, the Parties (including any of their related or affiliated companies) shall not be liable to each other for any special, indirect, incidental, or consequential damages resulting in any way from the performance or non-performance of the services.

30.0 NOTICE

Any Contractual notices required to be given by the terms of this Agreement shall be delivered by hand or mailed, postage prepaid, to:

For Consultant:

Raftelis Financial Consultants, Inc.
Attn: Henry L. Thomas, Vice President
341 N. Maitland Avenue, Suite 300
Maitland, FL 32751
Phone: (407) 628-2600
Fax: (407) 628-2610
E-mail: hthomas@raftelis.com

For City:

City of Lakeland, Dept. of Water Utilities
Lakeland Electric & Water Administration Building
Attn: Tom Mattiacci, Manager of Engineering
501 E. Lemon Street
Mail Code W-ADMIN/ENG
Lakeland, FL 33801-5086
Phone: (863) 834-8316
Fax: (863) 834-6178
E-mail: tom.mattiacci@lakelandgov.net

Either party may change the name of the person receiving notices and the address at which notices are received by so advising the other party in writing.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties have executed this Agreement on the dated indicated below:

CITY OF LAKELAND, FLORIDA

By: _____

WILLIAM MUTZ

Mayor

Attest: _____

KELLY S. KOOS

City Clerk

Its:

Date: _____

RAFTELIS FINANCIAL CONSULTANTS, INC.

By: _____

Henry Thomas

Henry L. Thomas

Vice President

Attest: _____

Henry Thomas

3/5/2020

(Corporate Seal)

APPROVED AS TO FORM AND CORRECTNESS:

PALMER DAVIS

City Attorney

EXHIBIT A

CITY OF LAKELAND, FLORIDA

REVENUE SUFFICIENCY ANALYSIS

SCOPE OF SERVICES

The scope of services to be performed by Raftelis Financial Consultants, Inc. (“Raftelis”) associated with the preparation of an updated financial forecast and revenue sufficiency analysis on behalf of the City of Lakeland (the “City”) is summarized below by major task item.

Task 1 – Data Acquisition and Review: Raftelis will gather current information and data regarding the management and operations of the City. The information requested will include, but not be limited to:

- A. Detailed financial and statistical data as required to prepare the Financial Forecast;
- B. Information regarding the status of developer agreements and anticipated customer growth;
- C. Information related to the capital improvement plan;
- D. Debt service and financing assumptions; and
- E. Other related financial and statistical information.

Task 2 – Evaluation of Actual Operating Results: Based on the most updated financial information, Raftelis will evaluate differences between the City’s latest rate study forecast and the actual operating results that occurred for Fiscal Year 2019 and Fiscal Year 2020 year-to-date. Raftelis will evaluate changes in revenues & sales, operating expenses, capital expenditures funded with rates, debt service payments, and other financial requirements of the water and wastewater systems. The evaluation results will be used to develop a new financial forecast for the six (6) years ended September 30, 2025.

Task 3 – Projection of Revenues: Based on the evaluation of actual operating revenues, Raftelis will update its projection of revenues to include the six (6) years ended September 30, 2025. The new projection will be based upon the existing water and wastewater rates and will be adjusted to reflect overall variances related to changing customer water usage patterns. This task does not include an in-depth analysis of each customer class nor the revenues produced at each service level.

Task 4 – Projection of Future Operating Results: Raftelis will develop a six (6) year projection of operating results for the water and wastewater systems based on amendments to the Fiscal Year 2020 budget, if any, the City’s Capital Improvement Plan (CIP), and other planning criteria. The update will reflect changes associated with year-to-date actual operating results and incorporate the most recent financial assumptions and data available from the City. To the extent that the City has prepared a preliminary Fiscal Year 2021 Operating Budget, Raftelis will

incorporate such information into the financial projections. The projected operating results will be based on, but not limited to, the following:

- A. Historical trends in operations;
- B. The current year's operating budget;
- C. The capital improvement program;
- D. Recognition of any changes in operations as result of new capital facilities, regulatory mandates and City policy;
- E. Recognition of inflationary allowances and the effects of system growth upon the cost of future operations;
- F. Recognition of restricted and unrestricted cash balances and reserves available for system operations and capital improvement program expenditures;
- G. Information regarding the capital funding plan developed in conjunction with the City;
- H. The rates currently in effect; and
- I. Other information as deemed appropriate by Raftelis or City staff.

The projection of future operating results will also include an analysis of compliance with the covenants associated with the issuance of the outstanding revenue bonds and other loan requirements and the sufficiency of rates to satisfy the system revenue requirements. This task does not include the development of new water and wastewater rates, but rather is intended to estimate the sufficiency of the City's existing rates through Fiscal Year 2025.

Task 5 – Prepare and Present Findings: Raftelis will attend a total of six (6) meetings to evaluate and discuss study findings and conclusions with the City Commission, City Management and Staff. Specifically, Raftelis will attend the following:

- Two (2) meetings to discuss preliminary results with City staff.
- Two (2) meetings to review the preliminary Fiscal Year 2021 Budget with City Management.
- Two (2) additional meetings to present the study results to the City Commission and to attend a public hearing on rates, if necessary.

COMPENSATION AND BILLING

Based on the scope of services as summarized herein and the direct hourly labor billing rates as identified in Exhibit E, we propose a not-to-exceed budget of \$32,000 for the project. This budget amount includes the direct cost of personnel anticipated to be assigned to the project as well as any indirect costs such as telephone, reproduction, printing and shipping charges. The

costs incurred by Raftelis for such indirect costs, if any, will be billed to the City based on actual cost or on the standard unit cost rates as summarized on Exhibit E. Raftelis will bill the City on a monthly basis for the consulting services provided on behalf of the System based on the sum of: i) direct labor cost based upon the actual hours of service furnished toward the completion of the project; and ii) any direct expenses incurred during the month associated with the project. No additional services above the cost estimate will be performed without the prior written authorization of the City.

ADDITIONAL SERVICES

Although not anticipated at this time, the City may request additional services by Raftelis. The cost of performing such additional services will be based upon the actual hours involved in providing the services and Raftelis' current schedule of direct labor rates. Examples of such additional services include, but are not limited to, the following:

1. Requests for updated analyses and/or additional financial scenarios after substantial completion of the work;
2. Requests to design utility rates based upon cost of service principals and/or to develop new utility rates for specific and/or unique customer services;
3. Requests for additional reports, correspondence or presentations and/or the attendance of additional public meetings; and
4. Development of a feasibility report required by the issuance of a loan or debt on behalf of the System.

DELIVERY SCHEDULE

After being given notification to proceed by the City and after receiving substantially all of the data necessary to initiate the study, Raftelis will summarize the preliminary results of its analysis and present the findings to City staff within ninety (90) days.

(Remainder of page intentionally left blank)

EXHIBIT B

CITY OF LAKELAND, FLORIDA

WATER AND WASTEWATER CAPACITY CHARGE ANALYSIS

SCOPE OF SERVICES

The scope of services to be performed by Raftelis Financial Consultants, Inc. ("Raftelis") on behalf of the City's water and wastewater utility system (the "System") is to: i) review the capacity charges / impact fees for the water and wastewater systems to ensure that such fees recover the capital costs related to new development; and ii) provide assistance in the implementation of such fees. The following is a summary of the tasks to be performed for the project:

Task 1: Data Compilation and Review

A detailed data request will be prepared for the City to compile specific information relative to the existing and future utility fixed assets in-service, including capacity entitlements as may be applicable, and the capacity of such assets available to serve to new development. Raftelis will prepare a written data request and will interview staff members and the City's consulting engineers to collect capital and planning documentation as well as other relevant information needed to perform the impact fee study. Information to be obtained will include current fixed asset data, current capital improvement plans of each utility system, inventory of existing facilities as it relates to capacity and utilization, customer statistical information, and other related information.

Task 2: Evaluation of Existing Fixed Assets

Raftelis will evaluate existing facility costs and incremental capital costs necessary to provide utility service to future service area growth. Raftelis will functionalize the cost of utility assets to the service categories (e.g., treatment, transmission, etc.) in order to develop the proposed capacity charges.

Task 3: Review of Levels of Service and Capacity Analysis

Based on existing level of service ("LOS") standards and constructed plant capacity, an analysis of the City's existing and projected ERC requirements will be conducted. This analysis is necessary to evaluate the capacity utilization of the water and wastewater facilities from both an existing and prospective capital facility standpoint.

Task 4: Impact Fee Comparison

A comparison of the individual water and wastewater impact fees, in both terms of the level of the fee charged and the basis for application of the fee to new development, for neighboring utilities will be prepared. This task will be performed concurrent with the capacity charges.

Task 5: Evaluation of Capital Improvement Program

Raftelis will review the City's capital improvement plan and capacity additions necessary to serve growth and incorporate the capital improvement plan into the fee analysis. Raftelis will work with City staff to identify capital expenditures that: i) are allocable to new development or growth within the identified capital planning horizon; ii) serve to upgrade or enhance utility plant that has remaining capacity allocable to growth; and iii) are for renewals and replacements of assets associated with serving existing customers and capacity.

Task 6: Design of Development (Impact) Fees

Based on the LOS standards and the identified capital costs associated with serving new development, Raftelis will develop proposed capacity charges for water and wastewater service for the City. The fees will be developed recognizing the reservation and utilization of capacity by an equivalent residential customer (e.g., single-family residential).

Task 7: Review of Development (Impact) Fee Ordinance

Raftelis will provide assistance to the City staff and legal counsel in the development of the impact fee ordinance. Raftelis will provide an overall review function of the ordinance for general consistency with the proposed impact fees, application of the fee, and other policies of the City.

Task 8: Report Preparation and Presentation

Raftelis will prepare: i) a technical memorandum or report documenting our assumptions, analyses, and primary data sources; and ii) a briefing document to summarize the study results. Raftelis will attend up to three (3) on-site meetings to review the results with City staff and to present the findings and recommendations to the City Commission.

CITY STAFF ASSISTANCE

The following is a list of the tasks anticipated to be performed by the staff of the City to assist Raftelis in providing the services on a timely basis:

1. The gathering of specific customer, operational and facility data and information;
2. Assistance with compiling data if not in a usable format in the general records and reports of the City;
3. Assistance in the formulation of policy or strategy decisions;
4. Assistance in the public relations program and scheduling of meetings to review results; and
5. General review and comments on the results of our analyses and reports to the City.

COMPENSATION AND BILLING

Based on the scope of services as summarized herein and the direct hourly labor billing rates as identified on Exhibit E, we propose a not-to-exceed budget of \$21,000 for the project. This

budget amount includes the direct cost of personnel anticipated to be assigned to the project as well as any indirect costs such as telephone, reproduction, printing and shipping charges. The costs incurred by Raftelis for such indirect costs, if any, will be billed to the City based on actual cost or on the standard unit cost rates as summarized on Attachment A. Raftelis will bill the City on a monthly basis for the consulting services provided on behalf of the System based on the sum of: i) direct labor cost based upon the actual hours of service furnished toward the completion of the project; and ii) any direct expenses incurred during the month associated with the project. No additional services above the cost estimate will be performed without the prior written authorization of the City.

ADDITIONAL SERVICES

Although not anticipated at this time, the City may request additional services by Raftelis. The cost of performing such additional services will be based upon the actual hours involved in providing the services and Raftelis' current schedule of direct labor rates. Examples of such additional services include, but are not limited to, the following:

1. Requests for updated analyses and/or additional capacity fee scenarios after substantial completion of the work; and
2. Requests for additional reports, correspondence or presentations and/or the attendance of additional public meetings.

DELIVERY SCHEDULE

After being given notification to proceed by the City and after receiving substantially all of the data necessary to initiate the study, Raftelis will summarize the preliminary results of its analysis and present the findings to City staff within one hundred twenty (120) days.

(Remainder of page intentionally left blank)

EXHIBIT C

CITY OF LAKELAND, FLORIDA

POLK REGIONAL WATER COOPERATIVE RATE ANALYSIS

SCOPE OF SERVICES

The scope of services to be performed by Raftelis Financial Consultants, Inc. ("Raftelis") associated with the analysis of the cost of alternative water provided by Polk Regional Water Cooperative ("PRWC") on behalf of the City of Lakeland (the "City") is summarized below by major task.

Task 1 – Data Acquisition and Review: Raftelis will summarize data regarding PRWC alternative water costs. The information summarized will include future water demands, PRWC capital costs, and PRWC fixed and variable operating expenses.

Task 2 – Evaluation of PRWC Water Costs: Raftelis will evaluate the cost of alternative water for the first ten (10) years of the PRWC project which is currently planned for Fiscal Years 2023 through 2032. The evaluation will be based on a range of potential water demands (up to five alternatives).

Task 3 – Evaluation of PRWC Water Cost on the City's Retail Water Rates: Raftelis will analyze the retail rate impact of purchasing alternative water from PRWC. The evaluation will examine the projected revenue requirements and rate impacts for the PRWC alternatives calculated in Task 2.

COMPENSATION AND BILLING

Based on the scope of services as summarized herein and the direct hourly labor billing rates as identified in Exhibit E, we propose a not-to-exceed budget of \$10,000 for this project.

ADDITIONAL SERVICES

Although not anticipated at this time, the City may request additional services by Raftelis. The cost of performing such additional services will be based upon the actual hours involved in providing the services and Raftelis' current schedule of direct labor rates. Examples of such additional services include, but are not limited to, the following:

1. Requests for updated analyses and/or additional financial scenarios above the five alternatives after substantial completion of the work; and
2. Attendance of separate meetings. The proposed scope of services assumes that this task will be completed during the annual revenue sufficiency analysis (see Exhibit A) to consolidate the meeting schedule.

EXHIBIT D

CITY OF LAKELAND, FLORIDA

RATE AFFORDABILITY REVIEW

SCOPE OF SERVICES

The scope of services to be performed by Raftelis Financial Consultants, Inc. (“Raftelis”) associated with the preparation of a review of utility rate affordability programs on behalf of the City of Lakeland (the “City”) is summarized below by major task.

Task 1 – Summary: Raftelis will summarize utility rate affordability programs implemented by similar utility program systems. The summary shall include program goals and objectives, qualification criteria, and, if available, program cost information.

Task 2 – Review of Demographic Data: Raftelis will review the City of Lakeland’s demographic and economic information related to its customer base. The review will include developing a summary of the City’s existing practices related to customer affordability, late payment assistance or other programs, if any, such as, Project Care.

Task 3 – Findings and Conclusions: Raftelis will make recommendations regarding the application of a utility rate affordability program for the City of Lakeland. This recommendation will address the general parameters and implementation requirements of the proposed program.

COMPENSATION AND BILLING

Based on the Scope of Services as summarized herein and the direct hourly labor billing rates as identified in Exhibit E, we propose a not-to-exceed budget of \$12,000 for this project.

ADDITIONAL SERVICES

Although not anticipated at this time, the City may request additional services by Raftelis. The cost of performing such additional services will be based upon the actual hours involved in providing the services and Raftelis’ current schedule of direct labor rates. Examples of such additional services include, but are not limited to, the following:

1. Requests for updated analyses and/or research after substantial completion of the work; and
2. Attendance of separate meetings. The proposed scope of services assumes that this task will be completed during the annual revenue sufficiency analysis (see Exhibit A) to consolidate the meeting schedule.

EXHIBIT E

RAFTELIS FINANCIAL CONSULTANTS, INC.

SCHEDULE OF DIRECT LABOR HOURLY RATES AND STANDARD COST RATES

DIRECT LABOR HOURLY RATES

| Project Team Title | Direct Labor Hourly Rates [*] |
|--------------------|----------------------------------|
| Vice President | \$230.00 |
| Senior Manager | \$200.00 |
| Manager | \$185.00 |
| Senior Consultant | \$160.00 |
| Consultant | \$140.00 |
| Associate | \$100.00 |
| Administrative | \$ 80.00 |

[*] Direct labor hourly rates effective twelve months after the date of execution of the Agreement; rates will be adjusted by not more than the net percentage change (but not less than 0%) in the Consumer Price Index – Urban Consumers per annum (rounded to the nearest dollar) or as mutually agreed between parties for invoices rendered after each anniversary date of each year thereafter until project completion or termination of the Agreement between the parties.

STANDARD COST RATES

| Expense Description | Standard Rates [*] |
|---|---|
| Mileage Allowance – Personal Car Use Only | IRS Standard Mileage Rate |
| Reproduction (Black and White) (In-House) | \$0.05 per Page |
| Reproduction (Color) (In-House) | \$0.25 per Page |
| Reproduction (Contracted) | Actual Cost |
| Computer Time | \$0.00 per Hour |
| Telephone Charges | Actual Cost |
| Delivery Charges | Actual Cost |
| Lodging/Other Travel Costs | Actual Cost |
| Meals | Not-to-Exceed per Raftelis Employee: \$8.00 – Breakfast \$12.00 – Lunch \$25.00 – Dinner |
| Subconsultant Services | Actual Cost plus 5.0% |
| Other Costs for Services Rendered | Actual Cost |

[*] Standard cost rates effective twelve months after the date of execution of the Agreement; where applicable, rates will be adjusted by not more than the net percentage change (but not less than 0%) in the Consumer Price Index – Urban Consumers per annum (rounded to the nearest dollar) or as mutually agreed between parties for invoices rendered after each anniversary date of each year thereafter until project completion or termination of the Agreement between the parties. Any Standard Rate adopted by policy by Client will be substituted for the rates shown above.

EXHIBIT F

INSURANCE REQUIREMENTS

Consulting Services (CCNA) for the Comprehensive Rate, Impact Fee and of Cost of Services Study – Bid #9239

STATEMENT OF PURPOSE

The City of Lakeland (the “City”) from time to time enters into agreements, leases and other contracts with Other Parties (as hereinafter defined).

Such Agreements shall contain at a minimum risk management/insurance terms to protect the City’s interests and to minimize its potential liabilities. Accordingly, the following minimum requirements shall apply:

CITY DEFINED

The term City (wherever it may appear) is defined to mean the City of Lakeland itself, its Commission, employees, volunteers, representatives and agents.

OTHER PARTY DEFINED

The term Other Party (wherever it may appear) is defined to mean the other person or entity which is the counter-party to the Agreement with the City and any of such Other Party’s subsidiaries, affiliates, officers, employees, volunteers, representatives, agents, contractors and subcontractors.

LOSS CONTROL/SAFETY

Precaution shall be exercised at all times by the Other Party for the protection of all persons, including employees, and property. The Other Party shall comply with all laws, rules, regulations or ordinances related to safety and health, and shall make special effort to anticipate and detect hazardous conditions and shall take such precautionary and prompt action where loss control/safety measures should reasonably be expected.

The City may order work to be stopped at any time, without liability, if conditions exist that present immediate danger to persons or property. The Other Party acknowledges that such stoppage, or failure to stop, will not shift responsibility for any damages from the Other Party to the City.

INSURANCE - BASIC COVERAGES REQUIRED

The Other Party shall procure and maintain the following described insurance, except for coverage specifically waived by the City of Lakeland, on policies and with insurers acceptable to the City, and insurers with AM Best ratings of no less than A.

These insurance requirements shall in no way limit the liability of the Other Party. The City does not represent these minimum insurance requirements to be sufficient or adequate to protect the Other Party’s interests or liabilities, but are merely minimums.

"Except for workers' compensation and professional liability, the Other Party's insurance policies shall be endorsed to name the City of Lakeland as additional insured. It is agreed that the Other Party's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by The City of Lakeland for liability arising out of the operations of this agreement."

Insurance Requirements (cont'd)

INSURANCE – BASIC COVERAGES REQUIRED (cont'd)

Except for workers compensation, the Other Party waives its right of recovery against the City, to the extent permitted by its insurance policies.

The Other Party's deductibles/self-insured retentions shall be disclosed to the City and may be disapproved by the City. They shall be reduced or eliminated at the option of the City. The Other Party is responsible for the amount of any deductible or self-insured retention.

Insurance required of the Other Party or any other insurance of the Other Party shall be considered primary, and insurance of the City shall be considered excess, as may be applicable to claims which arise out of the Hold Harmless, Payment on Behalf of the City of Lakeland, Insurance, Certificates of Insurance and any Additional Insurance provisions of this agreement, contract, or lease.

Commercial General Liability: This insurance shall be an "occurrence" type policy written in comprehensive form and shall protect the Other Party and the additional insured against all claims arising from bodily injury, sickness, disease, or death of any person other than the Other Party's employees or damage to property of the City or others arising out of any act or omission of the Other Party or its agents, employees, or Subcontractors and to be inclusive of property damage resulting from explosion, collapse or underground (xcu) exposures. This policy shall also include protection against claims insured by usual personal injury liability coverage, and to insure the contractual liability assumed by the Other Party under the article entitled **INDEMNIFICATION**, and **"Products and Completed Operations" coverage.**

The Other Party is required to continue to purchase products and completed operations coverage for a minimum of three years beyond the City's acceptance of renovation or construction properties.

The liability limits shall not be less than:

| | |
|--|---|
| Bodily Injury and Property Damage | \$1,000,000 Single limit each occurrence |
|--|---|

Business Automobile Liability: Business Auto Liability coverage is to include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, non-owned and hired automobiles and employee non-ownership use.

The liability limits shall not be less than:

| | |
|--|---|
| Bodily Injury and Property Damage | \$300,000 Single limit each occurrence |
|--|---|

Workers' Compensation: Workers' Compensation coverage to apply for all employees for statutory limits and shall include employer's liability with a limit of \$100,000 each accident, \$500,000 disease policy limits, \$100,000 disease limit each employee. ("All States" endorsement is required where applicable). If exempt from Worker's Compensation coverage, as defined in Florida Statute 440, the Other Party will provide a copy of State Workers' Compensation exemption.

All subcontractors shall be required to maintain Worker's Compensation.

The Other Party shall also purchase any other coverage required by law for the benefit of employees.

ADDITIONAL INSURANCE

Additional Insurance: *The City requires the following types of insurance:*

Professional Liability/Malpractice/Errors or Omissions Insurance: The Other Party shall carry professional malpractice insurance throughout the term of this Contract and shall maintain such coverage for an extended period of three (3) years after completion and acceptance of any work performed hereunder. At all times throughout the period of required coverage, said coverage shall insure all claims accruing from the first date of the Contract through the expiration date of the last policy period. In the event that Other Party shall fail to secure and maintain such coverage, Other Party shall be deemed the insurer of such professional malpractice and shall be responsible for all damages suffered by the City as a result thereof, including attorney's fees and costs.

The liability limits shall not be less than: **\$1,000,000**

EVIDENCE/CERTIFICATES OF INSURANCE

Required insurance shall be documented in Certificates of Insurance which provide that the City shall be notified at least 30 days in advance of cancellation, nonrenewable, or adverse change.

New Certificates of Insurance are to be provided to the City at least 15 days prior to coverage renewals.

If requested by the City, the Other Party shall furnish complete copies of the Other Party's insurance policies, forms and endorsements.

For Commercial General Liability coverage the Other Party shall, at the option of the City, provide an indication of the amounts of claims payments or reserves chargeable to the aggregate amount of liability coverage.

Receipt of certificates or other documentation of insurance or policies or copies of policies by the City, or by any of its representatives, which indicate less coverage than required does not constitute a waiver of the Other Party's obligation to fulfill the insurance requirements herein.

The remainder of this page left intentionally blank

EXHIBIT G

INDEMNIFICATION Consultant

To the fullest extent permitted by laws and regulations, and in consideration of the amount stated on any Purchase Order or Task Authorization, the Consultant shall indemnify and hold harmless the City, and its officers and employees, from all liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the Consultant and other persons employed or utilized by the Consultant in the performance of this Contract.

In any and all claims against the City, or any of its officers or employees, by any person employed or utilized by the Consultant in the performance of this Contract, this indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Consultant or any other person or organization under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts, nor shall this indemnification obligation be limited in any way by any limitation on the amount or type of insurance coverage provided by the City, the Consultant, or any other person or organization.

Applicability: It is the express intent of the Consultant that this agreement shall apply for the project(s) or time period indicated below. (Check and complete one):

Agreement is applicable to all contracts, purchase orders and other work performed for the City of Lakeland for the time period of not more than five (5) years.

_____ to _____.
(Date) (Date)

(OR)

Agreement is limited to Purchase Order # _____, or Contract dated _____.

Subrogation: The Consultant and its Subcontractors shall require their insurance carriers, with respect to all insurance policies, to waive all rights of subrogation against the City, except for "Professional Liability." In the case of "Professional Liability," the Consultant and its Subcontractors shall require their insurance carriers to waive all rights of subrogation except in situations where gross negligence is shown on the part of the City.

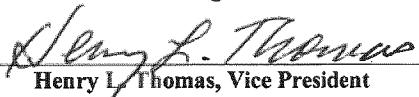
Release of Liability: Acceptance by the Consultant of the last payment shall be a release to the City and every officer and agent thereof, from all claims and liability hereunder for anything done or furnished for, or relating to the work, or for any act or neglect of the City or of any person relating to or affecting the work unless otherwise specified in a written agreement between Consultant and City at the time of final payment.

Savings Clause: The parties agree that to the extent the written terms of this Indemnification conflict with any provisions of Florida laws or statutes, in particular Sections 725.06 and 725.08 of the Florida Statutes, the written terms of this indemnification shall be deemed by any court of competent jurisdiction to be modified in such a manner as to be in full and complete compliance with all such laws or statutes and to contain such limiting conditions, or limitations of liability, or to not contain any unenforceable or prohibited term or terms, such that this Indemnification shall be enforceable in accordance with and to the greatest extent permitted by Florida Law.

Raftelis Financial Consultants, Inc.

Name of Organization

BY:


Henry L. Thomas, Vice President

E-mail: hthomas@raftelis.com

STATE OF: FLORIDA

407) 628-2600

Organization Phone Number

COUNTY OF: ORANGE

The foregoing instrument was acknowledged before me this 5th day of MARCH, 2020

by Henry L. Thomas, of Raftelis Financial Consultants, Inc.
Printed Name of Owner / Officer Corporate or Company Name

He/She is personally known to me or has produced T520-392 55-214-0 as
State Drivers License Number

identification, and did / did not X take an oath.


Signature of Person Taking Acknowledgment

DONNA L. COX
Printed Name of Person Taking Acknowledgment



CITY OF LAKELAND

BY: _____
Joyce Dias, Director of Risk Management & Purchasing

DATE _____

Revised: February 13, 2019

Page 2 of 2

EXHIBIT H

SPECIFICATION SAFETY REQUIREMENTS (Revised September 2014)

The following safety requirements are comprehensive in nature with some site specificity; therefore, not all sections are applicable to every Contract. Please apply those safety requirements as site or situation dictates. NOTE: All City project representatives who assume responsibility for contract management will be responsible for insuring compliance with these safety requirements by all Contractors and/or Subcontractors.

I. GENERAL

- A. The Contractor shall comply with all Federal/State Occupational Safety and Health Act (OSHA) Standards and any other rules and regulations applicable to construction and/or maintenance activities in the State of Florida. The Contractor shall also comply with county, city, or any other agency's rules and regulations regarding safety.
- B. The City's safety personnel or any City supervisor may order that the work be stopped if a condition of immediate danger is found to exist. Nothing contained herein shall be construed to shift responsibility or risk of loss for injuries or damage sustained as a result of a violation of this Article from the Contractor to the City; and the Contractor shall remain solely and exclusively responsible for compliance with all safety requirements and for the safety of all persons and property at the project site.
- C. The parties hereto expressly agree that the obligation to comply with applicable safety provisions is a material provision of this Contract and a duty of the Contractor. The City reserves the right to require demonstration of compliance with the safety provisions of this Contract. The parties agree that such failure is deemed to be a material breach of this Agreement; and the Contractor agrees upon such breach, all work pursuant to the Contract shall terminate until demonstration to the City that the safety provisions of this Agreement have been complied with. In no event shall action or failure to act on the part of the City be construed as a duty to enforce the safety provisions of this Agreement, nor shall it be construed to create liability for the City for any act or failure to act in respect to the safety provisions of this Agreement.

II. SAFETY EQUIPMENT

All City safety policies and procedures will be strictly adhered to and enforced by the City of Lakeland Safety Division, which may include work stoppage or removal of Contractor and/or personnel. Such policies and procedures are available upon request. These safety regulations include, but are not limited to:

- A. All persons on City property will wear industrial safety glasses with affixed side shields at all times, except when in an office building or construction trailer, in the enclosed cab of a motor vehicle, or during a break period when all work has stopped.

- B. All persons on City property will wear an approved hard hat in good repair at all times, except when in an office building or construction trailer, in the enclosed cab of a motor vehicle, or during a break period when all work has stopped. Bump hats, or "cowboy style" hard hats are not acceptable at any time.
- C. All persons on City property and in an area where the noise level exceeds 85db must wear hearing protection that complies with ANSI S3.19-74 (ear muffs and/or approved ear plugs with an NRR of at least 30). This includes areas where noisy equipment is in use (i.e. jack hammers, electric or air drills, heavy equipment with open cabs, pipe cutting saws, etc.) and in a plant environment where posted.
- D. Sport or athletic-type style shoes are NOT considered a suitable work shoe and are not acceptable as work shoes at this location.

- E. Damage to Existing Property

The Contractor will be held responsible for any damage to existing structures, work, materials, or equipment because of his operations and shall repair or replace any damaged structures, work, materials, or equipment to the satisfaction of, and at no additional cost to, the City, unless otherwise addressed in the Contract.

The remainder of this page left intentionally blank